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1967

FIFTY-THIRD ANNUAL REPORT

THE MONONGAHELA RAILWAY COMPANY

FOR THE YEAR ENDED DECEMBER 31, 1967

Office of the Secretary
6 Penn Center Plaza
Philadelphia, Pa.

BOARDS
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THE MONONGAHELA RAILWAY COMPANY

DIRECTORS

David C. Bevan	Philadelphia, Pa.
G. M. Smith	Pittsburgh, Pa.
Hewitt Biaett	Baltimore, Md.
Walter R. Grant	New York, N.Y.
M. C. Mulligan	Baltimore, Md.
Curtis D. Buford	Pittsburgh, Pa.

OFFICERS

President	Hewitt Biaett	Baltimore, Md.
Vice-President	Curtis D. Buford	Pittsburgh, Pa.
Vice-President	G. M. Smith	Pittsburgh, Pa.
Secretary	Bayard H. Roberts	Philadelphia, Pa.
Treasurer	W. R. Gerstnecker	Philadelphia, Pa.
Comptroller	W. S. Cook	Philadelphia, Pa.
General Counsel	John B. Prizer	Philadelphia, Pa.
Superintendent	A. J. Molyneaux	Brownsville, Pa.
Real Estate Agent	K. C. Barry	Pittsburgh, Pa.
Manager, Freight Claims	W. D. Hamilton	Philadelphia, Pa.
Chief Engineer	J. J. Eash	Pittsburgh, Pa.
General Superintendent-Car and Locomotives	F. H. McHenry	Pittsburgh, Pa.
Chief Claim Agent	H. H. Hall	Pittsburgh, Pa.
Supervisor of Freight Transportation	A. J. Yuhas	Brownsville, Pa.
Director of Personnel	W. J. Petrie	Pittsburgh, Pa.
Manager, Purchases & Stores	C. E. LeSuer	McKees Rocks, Pa.

FIFTY-THIRD ANNUAL REPORT

THE MONONGAHELA RAILWAY COMPANY

Pittsburgh, Pa. March 22, 1968

TO THE STOCKHOLDERS:

THE BOARD OF DIRECTORS SUBMITS HEREWITH ITS REPORT FOR THE YEAR ENDED DECEMBER 31, 1967.

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HEWITT BIAETT
PRESIDENT

INCOME STATEMENT		Year 1967	Comparison with Year 1966 INCREASE OR DECREASE	
RAILWAY OPERATING REVENUES	(Freight	$6,520,618	I	$1,082,746
	(Switching	1,675	I	476
	(Demurrage	13,367	D	8,997
	(Rents of Buildings and Other Property	34,216	I	6,150
	(All Other	2,668	I	992
	Total	6,572,544	I	1,081,367
RAILWAY OPERATING EXPENSES	(Maintenance of Way and Structures	1,006,525	I	265,174
	(Maintenance of Equipment	610,817	I	76,773
	(Traffic	11,790	D	144
	(Transportation	1,889,488	I	207,692
	(General	130,345	D	106,779
	Total	3,648,965	I	442,716
NET REVENUE FROM RAILWAY OPERATIONS		2,923,579	I	638,651
TAX ACCRUALS	(Other Railway Taxes	160,556	I	120,222
	(Unemployment Insurance Taxes	54,689	I	749
	(Railroad Retirement Taxes	162,254	I	24,283
	Total	377,499	I	145,254
RAILWAY OPERATING INCOME		2,546,080	I	493,397
HIRE OF EQUIPMENT - DEBIT BALANCE		1,474,173	I	228,408
JOINT FACILITY RENTS - DEBIT BALANCE		56,711	I	6,584
		1,530,884	I	234,992
NET RAILWAY OPERATING INCOME		1,015,196	I	258,405
NON-OPERATING INCOME	(Miscellaneous Rent Income	20,141	D	2,921
	(Interest Income	93,550	I	51,151
	(Profit from Sale of Property	1,136	D	765
	(Miscellaneous	2,743	D	968
	Total	117,570	I	46,497
TOTAL INCOME		1,132,766	I	304,902
FIXED CHARGES AND OTHER DEDUCTIONS	(Rent for Leased roads and equipment	168,624		-
	(Interest on Funded Debt	416,259	I	12,565
	(Loss on Sale or Retirement of property	1,570	D	1,730
	(Miscellaneous	859	D	2,371
	Total	587,312	I	8,464
NET INCOME		545,454	I	296,438

STATEMENT OF RETAINED INCOME

Balance January 1, 1967	10,446,284
Add: Net Income for the year	545,454
BALANCE, DECEMBER 31, 1967	10,991,738

BALANCE SHEET

ASSETS

	December 31, 1967		Comparison with December 31, 1966 Increase or Decrease	
CURRENT ASSETS:				
Cash	$213,033	.....	I	$116,594
Temporary Cash Investments	199,053	.....	D	669,068
Accounts Receivable	2,475,455	.....	I	1,550,550
Material and supplies	146,373	.....	I	22,885
Miscellaneous	21,492	.....	D	29,264
Total Current Assets	.....	$3,055,406	I	991,697
SPECIAL FUNDS:				
Insurance and Other Funds	.....	2,800		-
PROPERTIES:				
Transportation Property	26,125,287	.....	D	32,856
Less: Accrued Depreciation and Amortization	3,928,341	.....	I	217,280
Net Transportation Property	22,196,946	.....	D	250,136
Miscellaneous Physical Property	412,336	.....	D	1,384
Net Properties	.....	22,609,282	D	251,520
OTHER ASSETS AND DEFERRED CHARGES	.....	87,668	I	20,688
TOTAL ASSETS	.....	25,755,156	I	760,865

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1967		Comparison with December 31, 1966 Increase or Decrease	
CURRENT LIABILITIES:				
Accounts Payable	$637,752	.....	I	$60,020
Interest Payable	284,312	.....	I	283,976
Taxes Accrued	180,297	.....	I	106,978
Other Current Liabilities	6,539	.....	I	3,723
Total Current Liabilities	.....	$1,108,900	I	454,697
LONG-TERM DEBT DUE WITHIN ONE YEAR:				
Equipment-Conditional Sale Agreements	.....	.....	D	39,956
LONG-TERM DEBT DUE AFTER ONE YEAR:				
Amounts Payable to Affiliated Companies:				
Baltimore & Ohio Railroad Company $2,309,000				
Pennsylvania Railroad Company 2,309,000				
Pittsburgh & Lake Erie Railroad Co. 2,309,000				
Total Long-Term Debt Due after one year	.....	6,927,000	D	380,985
RESERVES:				
Casualty and Other Reserves	.....	61,500	I	13,000
OTHER LIABILITIES AND DEFERRED CREDITS:				
Other Liabilities	12,476	.....	D	20,197
Deferred credits	181,269	.....	I	177,625
Accrued Depreciation-Leased Property	227,273	.....	I	11,227
Total Other Liabilities and Deferred Credits	.....	421,018	I	168,655
SHAREHOLDERS' EQUITY:				
Capital Stock (124,900 shares, par value $50. per share)	6,245,000			-
Retained Income	10,991,738	.....	I	545,454
Total Shareholders' Equity	.....	17,236,738	I	545,454
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	.....	25,755,156	I	760,865

OPERATING EXPENSES

	Year 1967	Year 1966	Increase or Decrease	
MAINTENANCE OF WAY AND STRUCTURES				
Superintendence	$96,678	$102,905	D	$6,227
Roadway Maintenance	670,688	386,439	I	284,249
Maintaining Structures	33,131	34,400	D	1,269
Other Maintenance of Way Expenses	59,389	55,173	I	4,216
Maintaining Joint Tracks, Yards, Etc. - Debit	11,247	12,050	D	803
Maintaining Joint Tracks, Yards, Etc. - Credit	2,489	3,484	D	995
TOTAL, EXCLUDING DEPRECIATION AND RETIREMENTS	868,644	587,483	I	281,161
DEPRECIATION AND RETIREMENTS:				
Road Property - Depreciation	129,753	130,178	D	425
Retirements - Road	6,257	17,354	D	11,097
Dismantling Retired Road Property	1,871	6,336	D	4,465
Total	137,881	153,868	D	15,987
Total	1,006,525	741,351	I	265,174
MAINTENANCE OF EQUIPMENT				
Superintendence	43,365	41,893	I	1,472
Repairs to Shop & Power-Plant Machinery	2,550	1,311	I	1,239
Locomotive Repairs	263,549	219,494	I	44,055
Car Repairs	141,076	105,309	I	35,767
Other Equipment Repairs	8,062	8,465	D	403
Other Equipment Expenses	20,453	23,585	D	3,132
Joint Maintenance of Equipment Expenses-Debit	22,163	23,116	D	953
Joint Maintenance of Equipment Expenses-Credit	177	140	I	37
TOTAL, EXCLUDING DEPRECIATION AND RETIREMENTS	501,041	423,033	I	78,008
DEPRECIATION AND RETIREMENTS:				
Shop and Power-Plant Machinery - Depreciation	4,801	4,987	D	186
Equipment - Depreciation	104,975	106,024	D	1,049
Total	109,776	111,011	D	1,235
Total	610,817	534,044	I	76,773
TRAFFIC				
Traffic Expenses	11,790	11,934	D	144
Total	11,790	11,934	D	144

OPERATING EXPENSES
(Continued)

	Year 1967	Year 1966	Increase or Decrease	
TRANSPORTATION				
Superintendence and Dispatching	$223,338	$217,741	I	$5,597
Station Service	39,457	36,804	I	2,653
Yard Employes	523,710	492,177	I	31,533
Yard Switching Fuel	34,159	26,525	I	7,634
Miscellaneous Yard Expenses	25,078	23,287	I	1,791
Train Employes	442,582	417,307	I	25,275
Train Fuel	132,135	109,795	I	22,340
Other Train Expenses	156,308	139,263	I	17,045
Injuries to Persons	126,844	46,116	I	80,728
Loss and Damage	3,799	887	I	2,912
Other Casualty Expenses	12,952	4,012	I	8,940
Other Rail Transportation Expenses	61,927	56,654	I	5,273
Operating Joint Yards and Terminals - Credit	17,707	16,852	I	855
Operating Joint Tracks and Facilities - Debit	125,504	128,152	D	2,648
Operating Joint Tracks and Facilities - Credit	598	72	I	526
Total	1,889,488	1,681,796	I	207,692
GENERAL				
Administration	101,954	73,453	I	28,501
Other General Expenses	28,046	163,353	D	135,307
General Joint Facilities - Debit	404	381	I	23
General Joint Facilities - Credit	59	63	D	4
Total	130,345	237,124	D	106,779
RECAPITULATION				
Maintenance of Way and Structures	1,006,525	741,351	I	265,174
Maintenance of Equipment	610,817	534,044	I	76,773
Traffic	11,790	11,934	D	144
Transportation	1,889,488	1,681,796	I	207,692
General	130,345	237,124	D	106,779
Total	3,648,965	3,206,249	I	442,716
OPERATING RATIO				
PERCENTAGE OF TOTAL OPERATING EXPENSES TO TOTAL OPERATING REVENUES:				
Maintenance of Way and Structures	15.31	13.50	I	1.81
Maintenance of Equipment	9.29	9.72	D	0.43
Traffic	0.18	0.22	D	0.04
Transportation	28.75	30.63	D	1.88
General	1.99	4.32	D	2.33
TOTAL OPERATING EXPENSES	55.52	58.39	D	2.87

REVENUE FREIGHT TRAFFIC BY MAJOR COMMODITY CLASSIFICATIONS

COMMODITY	Year 1967			
	Tons	Per Cent. of Total	Gross Revenue	Per Cent. of Total
FARM PRODUCTS	1,986	0.02	2,381	0.04
MINERAL PRODUCTS:				
Metallic Ores	3,479	0.03	2,079	0.03
Coal	9,817,775	97.00	6,253,293	95.69
Nonmetallic Mineral, Except Fuels	21,117	0.21	21,010	0.32
Total	9,842,371	97.24	6,276,382	96.04
MANUFACTURES AND MISCELLANEOUS:				
Food and Kindred Products	24,470	0.24	27,361	0.42
Basic Textiles	28	-	27	-
Lumber and Wood Products, Except Furniture	18,286	0.18	17,626	0.27
Pulp, Paper and Allied Products	3,489	0.04	4,023	0.06
Chemicals and Allied Products	2,198	0.02	2,349	0.04
Petroleum and Coal Products	1,092	0.01	2,083	0.03
Stone, Clay and Glass Products	12,505	0.12	13,841	0.21
Coke	104,532	1.03	75,871	1.16
Other Primary Metal Products	73,312	0.73	73,126	1.12
Fabricated Metal Products Except Machinery and Transportation	17,508	0.17	19,183	0.29
Machinery, Except Electrical	3,142	0.03	3,450	0.05
Electrical Machinery, Equipment and Supplies	2,069	0.02	2,445	0.04
Miscellaneous Products of Manufacturing	97	-	101	-
Transportation Equipment	552	0.01	577	0.01
Waste and Scrap Materials	13,278	0.13	13,424	0.21
Miscellaneous Freight Shipments	548	0.01	929	0.01
Total	277,106	2.74	256,416	3.92
Grand Total, Carload Freight	10,121,463	100.00	6,535,179	100.00
All Less Carload Freight	-	-	-	-
Grant Total,Carload Less Carload Freight	10,121,463	100.00	6,535,179	100.00

FREIGHT TRAFFIC STATISTICS

	Year 1967	Year 1966	Increase or Decrease
Average Miles of Road Operated (Freight Service)	167.14	168.45	D 1.31
Freight Revenue	$6,520,618	$5,437,872	I $1,082,746
Per Cent. of Total Operating Revenues	99.2	99.0	I 0.2
Tons Carried (Revenue Freight)	10,121,463	8,906,700	I 1,214,763
Tons Carried One Mile (Revenue Freight)	587,128,460	515,628,039	I 71,500,421
Freight Train Miles	144,875	138,372	I 6,503
Loaded Car Miles	7,985,844	6,817,060	I 1,168,784
Empty Car Miles	7,294,275	6,431,843	I 862,432
Total Car Miles (Including Caboose)	15,425,001	13,387,281	I 2,037,720
Average - Per Mile of Road			
Freight Revenue	$39,013	$32,282	I $6,731
Tons Carried (Revenue Freight)	60,557	52,874	I 7,683
Tons Carried One Mile (Revenue Freight)	3,512,794	3,061,015	I 451,779
Freight Train Miles	867	821	I 46
Averages-Per Train Mile			
Freight Train Revenue	$45.01	$39.31	I $5.70
Revenue Ton Miles	4,053	3,726	I 327
Loaded Car Miles	55.1	49.3	I 5.8
Empty Car Miles	50.3	46.5	I 3.8
Total Car Miles (Including Caboose)	106.5	96.7	I 9.8
Miscellaneous Averages			
Revenue Per Ton (Cents)	64.4	61.1	I 3.3
Revenue Per Ton Mile (Cents)	1.111	1.054	I 0.057
Revenue Ton Miles Per Loaded Car Mile	73.5	75.6	D 2.1
Average Miles Each Revenue Ton Was Carried	58.0	57.9	I 0.1

LOCOMOTIVE UNIT MILES - FREIGHT

Road Service	491,648	456,678	I 34,970
Train Switching	3,590	10,842	D 7,252
Yard Switching	127,089	113,064	I 14,025
Total	622,327	580,584	I 41,743

WORK SERVICE

Train Miles	3,480	2,808	I 672
Locomotive Unit Miles	3,698	2,808	I 890
Car Miles	31,670	18,840	I 12,830

EQUIPMENT OWNED - DECEMBER 31, 1967

	Units	Book Value	Comparison with 1966
Locomotives			
Shifting - Diesel-Electric.....	22	$2,426,461	I $359
Freight-Train Cars			
Cabin.....	18	92,671	.....
Work Equipment	18	100,742	.....
Miscellaneous Equipment.....		80,414	I 518
Total Equipment.....		$2,700,288	I $877

MILEAGE OF TRACKS OWNED AND OPERATED

	December 31, 1967				
	Main 1st	Main 2nd	Industrial	Yard & Sidings	Total
Monongahela Railway Company:					
Owned Line Operated.....	125.55	10.05	3.26	62.50	201.36
Line Operated Under Contract.....	29.21	.....	2.42	6.89	38.52
Line Used Under Trackage Rights....	12.38	.....	....	0.94	13.32
Total December 31, 1967..	167.14	10.05	5.68	70.33	253.20
Total December 31, 1966..	168.45	10.05	5.79	70.48	254.77
Increase or Decrease..	D 1.31	.....	D 0.11	D 0.15	D 1.57